

Mellon Educate (UK)

**(a foundation charitable incorporated
organisation (CIO))**

**TRUSTEES REPORT AND
FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED 31
DECEMBER 2021**

Mellon Educate (UK)
Financial statements for the financial year ended 31 December 2021

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Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

ADMINISTRATIVE DETAILS

Trustees	Andrew Brennan (Chair) Mike Butler Jeremy Svejdar Julia Dixon Dominique Hainebach
Charity registration number	1175352
Registered office	26 Cadogan Square London SW1X 0JP
Solicitors	Filanthropia Consulting Limited Heath House Alldens Lane Godalming Surrey GU8 4AP
Bankers	The Co-Operative Bank P.O.Box 250, Delf House Southway Skelmersdale WN8 6WT
Auditors	BDO Statutory Audit Firm Beaux Lane House Mercer Street Lower Dublin 2 Ireland

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

Mellon Educate (UK) is a registered charity (No. 1175352) ("the Charity"). The Charity was registered with the Charity Commission for England and Wales ("Charity Commission") on 25 October 2017.

The governing document of the Charity is a CIO Constitution dated 25 October 2017.

On 1 January 2018 the Charity assumed the activities, assets and liabilities of Mellon Educate (UK) 2008, a charitable company registered in Northern Ireland, company number NI068969 and registered charity number 102874.

The Charity's accounts are prepared on a 'true and fair' basis in accordance with accounting standards and the methods and principles of the applicable Statement of Recommended Practice (SORP).

Membership

As a foundation CIO the members of the Charity are the Trustees for the time being.

Governance

Mellon Educate (UK) is committed to holding a high standard of ethical and lawful behaviour in all our activities which are led by the Trustees and implemented by all associated with the Charity.

Trustees

Pursuant to the CIO Constitution the Trustees are appointed by the Founder, Niall Mellon, during his lifetime. The Trustees are identified through their ongoing contributions to the Charity and who have the appropriate experience and commitment to govern the Charity. The Trustees are responsible and accountable for the management of the affairs of the Charity.

The Trustees of the Charity are set out on page 1 and they have served for the entire financial year. The Trustees are appointed for a two year period, after which they may be re-appointed by the Founder. The current appointment of Trustees will run to the end of January 2023.

TRUSTEES' REPORT – continued

OBJECTIVES AND ACTIVITIES

The objects of the Charity as set out at clause 3 of the CIO Constitution are:

“The income and property of the CIO shall be applied for the benefit of the public worldwide for the purposes set out below in particular, but not limited to, for the benefit of the underprivileged and the socially and economically disadvantaged in South Africa:

- (1) the advancement of education by in particular, but not limited to (a) the construction of, or assisting in the construction of, schools and (b) the provision of, or assisting in the provision of, equipment, teaching and learning materials and the mentoring and training of school principals and teachers;
- (2) the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage by in particular, but not limited to, the provision of, or assisting in the provision of (a) housing and related amenities, (b) food, clothing (including school uniforms) and other life essentials to ensure the wellbeing of children and young persons to enable them to engage fully with the educational process and (c) school transport;
- (3) the advancement of health by in particular, but not limited to, the prevention or relief of sickness, disease or human suffering by the provision of, or assisting in the provision of, medical supplies; and
- (4) the development of the capacity and skills of the members of the socially and economically disadvantaged community in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;

in such ways as the charity trustees shall from time to time think fit in particular, but not limited to, by supporting the charity Mellon Township Limited (also known as Mellon Educate), a charitable company registered in the Republic of Ireland, Companies Registration Office registered number 389423 and Charities Regulatory Authority registered number 20058074.”

Activities

The Charity's objects are primarily fulfilled by supporting the charity registered in the Republic of Ireland called Mellon Township Limited, also known as “Mellon Educate” (“Mellon Educate Ireland”) in connection with the annual Building Blitz and related initiatives run by Mellon Educate Ireland each year. These initiatives are run for the benefit of the underprivileged in South Africa as a means of providing resources to improve classrooms and facilities and assist the teachers to improve the standard of education offered in the classrooms.

Mellon Educate UK supports Mellon Educate Ireland by providing, amongst other things:-

- assistance regarding the recruiting of Blitz volunteers from the UK (including volunteer fundraising); and
- grant funding.

The Trustees have read and understood the Charity Commission's guidance entitled “Charities with a connection to a non-charity”. The Charity has in place various agreements; policies and procedures including, but not limited to:-

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

TRUSTEES' REPORT – continued

Activities - continued

- conflicts of interest policy and register;
- collaboration agreement with Mellon Educate Ireland regarding the Building Blitz and Teaching Blitz;
- grant making policy and procedures;
- resource sharing agreement with Mellon Educate Ireland regarding (shared staff, facilities, premises, website and publications); and
- safeguarding and child protection policy.

Public Benefit Entity

The Trustees of the Charity have given careful consideration to the Charity Commission's guidance on public benefit to ensure that the charity's activities have achieved the Charity's objectives and provided a benefit to its beneficiaries.

ACHIEVEMENTS AND PERFORMANCE & FUTURE DEVELOPMENTS

Principal activities and review of the Charity

During the accounting year the Charity's principal activities were:

Building Blitz 2021

The annual Building Blitz to Cape Town in South Africa was cancelled due to the Covid-19 pandemic and restrictions imposed on international travel and gatherings. The Build went ahead, with local South African staff, through the generous donations received, in two schools in the Western Cape Township of Delft at Leiden Primary School and Leiden Secondary School. The Scope of the build included 13 classrooms (including 2 Grade R classrooms) and covered eating and play area's and an ablution Block. This has been made possible through our partnership with the Western Cape Education Department, generous donors and corporate sponsorships.

Education Programmes

The Mellon Educate Team of Specialists, after adapting their approach due to Covid, implemented programmes and developed revised curriculum to assist our 9 schools with the following programmes:

- Principal mentoring and support
- Teacher training and development tailored to the needs of individual schools
- Adult literacy programme
- Psycho/social support
- Winter School (Holiday school)
- Resource development
- Literacy Projects

Effective use was made of video conferencing, online support, recordings of experiments and one on one teacher support and training using "Teams or Zoom".

Our programme in South Africa involves a team of highly accomplished teachers and subject specialists. Their activities continue to drive the programmes to improve the overall impact of the support the charity lends the schools we are supporting, The subjects supported in the Schools are Science, Mathematics with our literacy programme supporting foundation Phase Learners.

TRUSTEES' REPORT – continued

Principal activities and review of the Charity – continued

Western Cape Education Department

Mellon Educate continues to develop a strong and meaningful partnership with Minister for Education in the Western Cape, MEC Debbie Schafer and her department. The selection of schools where both the infrastructural work and education assistance takes place is done in consultation with the WCED in order to ensure the areas of most need are identified and helped to maximum effect. The WCED contributes 40% of the construction costs to the annual building blitz, thereby endorsing the work the charity is carrying out so successfully in the Western Cape.

Humanitarian Aid

In 2021 the Covid 19 pandemic created a humanitarian crisis of epic proportion. This created a dire need to continue to provide emergency nutrition to school families and the broader community surrounding our partner schools. The Mellon Team adapted their support to include a humanitarian aid response started in March 2020 and continued through to December of 2021.

Overwhelming requests from our schools highlighted the continuing food crisis for learners and their families resulting from the suspended school feeding programme, loss of employment and poor access to institutional support. The Mellon team's ability to adapt to the ever-changing environment and demands of this crisis, while maintaining the critical support to teachers ensured that the efficient delivery of support where needed was achieved.

The future

Going forward, the Charity intends to continue supporting the work of Mellon Educate Ireland as referred to above. The Trustees will also consider supporting any new initiatives of Mellon Educate Ireland which fall within the Charity's objects.

The impact to our primary fund raising, namely the fundraising activities of the volunteers that attend the Blitz, is significant to the Charity, and projected income for 2021 was reduced accordingly.

The reaction of volunteers and fundraisers to the challenge has been fantastic, and various new initiatives to fundraise for the charity and its initiatives have been very impactful.

We are excited to announce that the Building Blitz for 2022 will go ahead and we have received over 220 volunteers signed up to travel to Cape Town and participate in the building of 14 new Classrooms, Ablution Facilities & refurbish 1 Grade R Block. We can confirm the generous donation of £200 000 in support of our annual building Blitz to pay towards cost of the classrooms being built during the building Blitz.

We have also entered into an agreement with the Western Cape Education Department (WCED), whereby they have committed to fund 40% of the building cost at our annual building Blitz taking place at two

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

TRUSTEES' REPORT – continued

The future (continued)

schools, Yomelela Primary School and Injongo Secondary school, in the Khayelitsha area, on the outskirts of the City of Cape Town.

The funds raised by our Volunteers, the Generous Donor and the partnership with the Western Cape Education Department, has secured sufficient funding to pay for the entire build in 2022 and continue the literacy programme supporting 9 of our previous Building Blitz schools.

FINANCIAL REVIEW

The statement of financial activities and balance sheet are set out on page 14 and 15. The surplus for the year amounted to £73,980 (2020 - deficit: £111,246). The unrestricted funds carried forward amounted to £166,447. It is also noted that the administration and accounts functions of this entity are carried out by Mellon Educate Ireland (pursuant to a resource sharing agreement), effectively reducing the costs of the Charity to generate funds.

Reserves policy

Unrestricted Funds: Funds generated will be utilised to continue the support of the School Building Blitzes and Mellon Educate Literacy programme and related initiatives. The Trustees will continue to ensure that reserves remain in place to meet the current commitment to operations, and maximise the contributions the charity makes to its objectives.

At the current operating costs and activity levels the Trustees consider the minimum cash reserves requirement to be set at a level of £30,000 (Cash reserves in 2021 £175,923). Mellon Educate Ireland continue to support the operations of Mellon Educate (UK) and will continue to do so going forward.

Restricted Funds: When funds are received where it is the wish of the donor to assist in a specific project or to fund a particular activity the funds are held as a restricted fund and applied only for the specific purposes for which the monies were given.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

TRUSTEES' REPORT – continued

POST BALANCE SHEET EVENTS

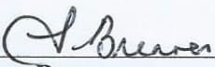
The Covid restrictions on Travel have been lifted and there has been significant success with the vaccine roll out, which has supported our decision to go ahead with the 2022 volunteer building trip to South Africa. We have over 220 volunteers signed up and we are excited to resume the wonderful work we do in south Africa, helping to uplift communities through education support and building safe facilities in which to learn.

The reaction of volunteers to the news of restarting the volunteer fundraising initiative and travelling to South Africa in 2022 to help build 14 new classrooms has exceeded our expectations. The two schools who will benefit from the volunteer fund raising programme, our corporate friends, and private donor partners, will be Yomelela Primary School and Iniongo Secondary School situated in the Khayelitsha area in near Cape Town.

AUDITORS

The auditors, BDO, Statutory Audit Firm, were re-appointed as the charity's auditor during the year and have expressed their willingness to continue in office.

Signed by order of the Trustees


Andrew Brennan
Trustee

Approved by the Trustees on

19/10/2022

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

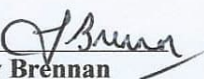
Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the trustees:


Andrew Brennan
Trustee

Date: 19/10/2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MELLON EDUCATE (UK)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mellon Educate (UK) for the financial year ended 31 December 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Charity's affairs as at 31 December 2021 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described below in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MELLON EDUCATE (UK) (CONTINUED)

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- adequate accounting records have not been kept; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MELLON EDUCATE (UK) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (SORP FRS102 and the Charities Act).
- We understood how the Charity is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures and the Charity secretary. We corroborated our enquiries through our review of minutes.
- We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud. We considered the programs and controls that the Charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free of fraud or error

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
MELLON EDUCATE (UK) (CONTINUED)**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Carbery (Statutory Auditor)

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

for and on behalf of

BDO

Dublin

Statutory Audit Firm

AI223876

Date: 19 October 2022

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

STATEMENT OF FINANCIAL ACTIVITIES

Incorporating the Income and Expenditure Account

For the financial year ended 31 December 2021

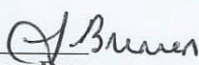
		Restricted Funds	Unrestricted Funds	Total Financial year ended 31/12/2021	Total Financial year ended 31/12/2020 *Restated
	Notes	2021 £	2021 £	31/12/2021 £	*Restated £
INCOME FROM					
Donations & legacies	3	480,000	179,456	659,456	127,352
TOTAL INCOME		480,000	179,456	659,456	127,352
EXPENDITURE ON:					
Charitable activities	4	(477,000)	(809)	(477,809)	(122,808)
Raising funds	5	-	(107,667)	(107,667)	(115,790)
TOTAL EXPENDITURE	6	(477,000)	(108,476)	(585,476)	(238,598)
NET SURPLUS / (DEFICIT)		3,000	70,980	73,980	(111,246)
TOTAL FUNDS BROUGHT FORWARD	15	-	92,467	92,467	203,713
TOTAL FUNDS CARRIED FORWARD	15	3,000	163,447	166,447	92,467

* See note 2 for details regarding restatement

All activities relate to continuing activities.

There are no recognised gains and losses other than as stated above.

Signed on behalf of the trustees:


Andrew Brennan
 Trustee

Date: 19/10/2022

The notes on page 17 to 27 form part of these Financial Statements.

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021


BALANCE SHEET

At 31 December 2021

	Notes	2021 £	31/12/2020 *Restated £
FIXED ASSETS			
Computer Equipment	10	-	275
		-	275
CURRENT ASSETS			
Other Debtors	11	549	-
Cash and cash equivalents	12	175,923	99,349
TOTAL ASSETS		176,472	99,349
CREDITORS			
(Amount falling due within one financial year)	13	(10,025)	(7,157)
NET CURRENT ASSETS		166,447	92,192
NET ASSETS		166,447	92,467
FUNDS			
Unrestricted funds	15	163,447	92,467
Restricted funds	15	3,000	-
TOTAL FUNDS		166,447	92,467

* See note 2 for details regarding restatement

The financial statements were approved and authorised for issue by the trustees:


Andrew Brennan
 Trustee

Date: 19/10/2022

The notes on page 17 to 27 form part of these Financial Statements.

CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	2021 £	2020 £
Net cash used in operating activities	76,574	(111,733)
INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	76,574	(111,733)
RECONCILIATION OF NET CASH FLOW		
Increase/(decrease) in cash & cash equivalents	76,574	(111,733)
Cash & cash equivalents at beginning of financial year	99,349	211,082
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	175,923	99,349

12

	2021 £	2020 £
RECONCILIATION OF NET INCOMING (OUTGOING) RESOURCES TO CASH OUTFLOW FROM OPERATING ACTIVITIES		
Net incoming resources	73,980	(111,246)
Depreciation	275	275
(Increase)/decrease in Debtors	(549)	3,423
Increase/ (decrease) in Creditors	2,868	(4,185)
Net cash flows from operating activities	76,574	(111,733)

The notes on page 17 to 27 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the Charity's financial statements:

Basis of Accounting

The financial statements have been prepared with reference to the recommendations of the revised Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements are prepared under Charities Act 2011.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies.

Mellon Educate (UK) is a public benefit entity under FRS 102.

The following principal accounting policies have been applied:

Statement of Compliance

The financial statements have been prepared in accordance with FRS102 the financial reporting standard. Mellon Educate (UK) is a charity, their registered office is 26 Cadogan Square, London, SW1X 0JP.

Restricted Funds

Restricted funds are funds received which can only be used for particular purposes specified by the donors and are binding on the Charity. Such purposes are within the overall aims of the Charity.

Unrestricted Funds

Unrestricted funds are those which are expendable at the discretion of the entity in furtherance of the objects of the Charity.

NOTES TO THE FINANCIAL STATEMENTS – continued

1. Accounting Policies (continued)

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the entity is entitled to the income and the amount can be measured with reasonable accuracy and is probable. The following specific policies are applied to particular categories of income:

- **Donations:** Fundraising income is credited to the Statement of Financial Activities in the year in which it is receivable by the Charity.
- **Volunteer Income:** Donations raised by volunteers are taken into account at the time of receipt.
- **Properties:** Properties donated for use by the Charity are recognised in the Charity's financial statements as income and expenditure. This is in line with the Statements of Recommended Practice, Accounting and Reporting by Charities.
- **Legacies:** Income from legacies is recognised when receipt is probable. Legacy income is recognised when there has been a grant of probate, the executors have established that there are sufficient assets in the estate, after paying liabilities to pay the legacy, and any conditions attached to the legacy have been met.

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred and is recorded as part of the expenditure to which it relates.

Cost of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Expenditure on charitable activities comprise grants paid by the Charity in the delivery of its services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity. Where costs cannot be directly attributed, they have been allocated in proportion to estimated benefits received.

Tangible Fixed Assets

Tangible fixed assets currently in use in furtherance of the charity's objectives are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided on tangible assets, so as to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Computer equipment	25% per annum
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Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS – continued

1. Accounting Policies (continued)

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Financial Instruments

The Charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like related party receivables and other payables. Basic financial instruments are recorded at transaction price.

Going Concern

The Trustees believe that the charity has adequate resources to continue in the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

The Trustees do not have any significant accounting estimates and assumptions which they consider to be critical accounting estimates and judgments.

2. Prior year restatement

During the year, management undertook an accounting review process to ensure that all relevant accounting standards were appropriately reflected in the Charity's financial statements. The said review has resulted in a prior year error in income and deferred income (explained below).

The charity received fundraising income for a number of “blitz” events in financial year 2020. Unfortunately, due to Covid 19, these events did not take place and have been rescheduled to 2022. In 2020 this income was deferred. However, following a review of Charities SORP (FRS102), the charities accounting policies and the terms and entitlement of this income, it was noted that this income should have been recognised on receipt. The prior year balances have been restated as follows to reflect proper recognition of income.

Balance	As originally stated 2020	Adjustment	As restated 2020
	£	£	£
Income from donations and legacies	116,020	11,332	127,352
Funds carried forward	81,135	11,332	92,467
Deferred income	11,332	(11,332)	-

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS - continued

3. Income from Donations and legacies

		Restricted Funds	Unrestricted Funds	Total	Total Financial year ended *Restated
		Financial year ended 31/12/2021	Financial year ended 31/12/2021	Financial year ended 31/12/2021	31/12/2020
		£	£	£	£
Volunteer Income	Notes (a)	-	11,774	11,774	11,332
Donations	(b)	480,000	162,206	642,206	100,520
Donations in Kind	(c)	-	-	-	15,500
Legacies	(d)	-	5,476	5,476	-
		<u>480,000</u>	<u>179,456</u>	<u>659,456</u>	<u>127,352</u>

- (a) Volunteer income raised by individuals and companies in support of the building blitz and summer teaching blitz held in Cape Town.
- (b) Donation income received from individuals and companies and includes the income from the Gala fundraising event.
- (c) Donations in kind relates to a premise in London that Mellon Educate (UK) have received rent free and is using as an office. This property was not used in 2021.
- (d) Legacy income received from individuals.

4. Expenditure on Charitable Activities

	Restricted Funds	Unrestricted Funds	Total Financial year ended	Total Financial year ended
	2021	2021	2021	2020
	£	£	£	£
Grant to Mellon Educate Ireland for costs associated with building schools and supporting the Education programmes in South Africa	-	-	-	105,701
Grant to MHI	477,000	809	477,809	17,107
	<u>477,000</u>	<u>809</u>	<u>477,809</u>	<u>122,808</u>

The charity supports Mellon Educate Ireland and Mellon Housing Initiative (South Africa) in their objective to build quality facilities and to train teachers.

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS - continued

5. Expenditure on Raising Funds

	Restricted Funds	Unrestricted Funds	Total Financial year ended	Total Financial year ended
	Financial year ended 2021 £	Financial year ended 2021 £	2021 £	2020 £
General expenses	-	107,667	107,667	100,290
Benefit in Kind	-	-	-	15,500
	<u>-</u>	<u>107,667</u>	<u>107,667</u>	<u>115,790</u>

Expenditure on raising funds includes the cost of the national fundraising team; materials for campaigns and events; plus allocated support costs. Included in general expense is an amount of £107,667 (2020: £100,290) for salaries, hosting a fundraising Gala event of £22,283 (2020: £NIL) and general office expenses of £16,174 (2020: £24,272). Other office costs include professional fees, audit fees, insurance and telephone.

Benefit in kind relates to the donations in kind of an office space received free of charge.

6. Support Costs and Allocation of Expenditure

(a) Support Costs

Support costs in the year include fees for setting up the Charity. Total costs have been allocated in full to the costs of raising funds below.

(b) Allocation of expenditure

	Direct Costs £	Support Costs £	Total Expenditure £
Charitable expenditure	477,809	-	477,809
Cost of generating funds	99,145	8,522	107,667
Total resources expended	<u>576,954</u>	<u>8,522</u>	<u>585,476</u>

Financial Statements for the financial year ending 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS – continued

7. Employees and Staff Costs

(a) Number of employees	2021	2020
Average number of people employed (full-time and part-time)	1	1
	Financial year ended 31/12/2021	Financial year ended 31/12/2020
(b) Total staff costs	£	£
Wages & salaries	60,000	68,750
Social welfare costs	7,062	4,289
Pension costs	2,166	2,391
	<u>69,228</u>	<u>75,430</u>

(c) Senior staff remuneration

Senior staff remuneration	2021 No.	2020 No.
The number of staff earning salaries over £60,000 was:		
Band: £60,000 - £69,999	1	1

The Trustees oversee all matters relating to staff remuneration.

(d) Key management remuneration

There was no remuneration paid to key management during the year. Key management refers to the Trustees of the Charity.

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS – continued

8. Net Income / Expenditure

	Financial year ended 31/12/2021 £	Financial year ended 31/12/2020 £
Net Income is stated after charging		
External Audit Fees	8,000	8,874

External audit costs are borne by the Irish entity, Mellon Township Limited. In 2021, a portion of the audit fee was recharged to Mellon Educate (UK). Mellon Township Limited is a related party due to a Director of Mellon Township Limited also being a Trustee of Mellon Educate (UK).

Trustees do not receive remuneration for their services as Trustees. Trustees are entitled to reimbursement of vouched expenses incurred in the performance of their duties as a Trustee. The amount charged in 2021 was £NIL (2020: £NIL).

9. Grant Expenditure

There were no grants paid to Mellon Township Limited (2020: £105,701) and there were grants paid to Mellon Housing Initiative £477,809 (2020: £17,107), a South African non for profit organisation, in 2021 to assist with the Building Blitz and Education Programmes in South Africa. The grant paid to Mellon Housing Initiative of £477,809, was funding received by Mellon Educate by a donor to fund the building of classrooms and funding literacy programme for a period of 3 years in South Africa.

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

10. Tangible Fixed Assets

	Computer Equipment £	Total £
Cost		
At 1 January 2021	1,102	1,102
Additions	-	-
Disposals	-	-
At 31 December 2021	<u>1,102</u>	<u>1,102</u>
Depreciation		
At 1 January 2021	827	827
Charge for the year	275	275
On disposal	-	-
At 31 December 2021	<u>1,102</u>	<u>1,102</u>
Net Book Value		
At 31 December 2021	<u>-</u>	<u>-</u>
Net Book Value		
At 31 December 2020	<u>275</u>	<u>275</u>

11. Debtors (amounts falling due within one financial year)

	2021 £	2020 £
Other receivables	<u>549</u>	<u>-</u>
	<u>549</u>	<u>-</u>

All debtors are due within one year.

12. Cash & Cash Equivalents

	2021 £	2020 £
Cash and cash equivalents	<u>175,923</u>	<u>99,349</u>
	<u>175,923</u>	<u>99,349</u>

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS – continued

13. Creditors (amounts falling due within one year)

		2021 £	2020 Restated £
Trade creditors		7,841	760
PAYE/NI		1,984	3,920
Related party payables	17	200	2,000
Other payables		-	477
		<u>10,025</u>	<u>7,157</u>

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payments at a rate of 2.75% per year. No interest was due at the financial year end date.

Other amounts included with creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

14. Taxation

Mellon Educate (UK) is a registered charity and therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The Charity's HMRC charity tax reference number is EW90176.

Mellon Educate (UK)

Financial Statements for the financial year ending 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS - continued

15. Movement in Funds

	At Start of Year 2021 £	Incoming Resource £	Outgoing Resource £	Transfers between funds £	At End of Year £
Restricted Funds	-	480,000	(477,000)	-	3,000
Unrestricted Funds	92,467	179,456	(108,476)	-	163,447
Total	<u>92,467</u>	<u>659,456</u>	<u>(585,476)</u>	<u>-</u>	<u>163,447</u>

	At Start of Year 2020 £	Incoming Resource Restated £	Outgoing Resource £	Transfers between funds £	At End of Period Restated £
Restricted Funds	-	27,808	(27,808)	-	-
Unrestricted Funds	203,713	99,544	(210,790)	-	92,467
Total	<u>203,713</u>	<u>127,352</u>	<u>(238,598)</u>	<u>-</u>	<u>92,467</u>

Analysis of Net Assets

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Designated Funds 2021 £	At end of year 2021 £	At end of year Restated 2020 £
Fixed Assets	-	-	-	-	275
Current Assets	3,000	173,472	-	176,472	99,349
Creditors: Amounts falling due within one financial year	-	(10,025)	-	(10,025)	(7,157)
Total	<u>3,000</u>	<u>163,447</u>	<u>-</u>	<u>166,447</u>	<u>92,467</u>

16. Financial instruments

The analysis of the carrying amounts of the financial instruments of the Charity required under section 11 of FRS 102 is as follows:

	2021 £	2020 £
Financial Assets		
<i>Financial assets measured at amortised cost</i>	<u>176,472</u>	<u>99,349</u>
Financial Liabilities		
<i>Financial liabilities measured at amortised cost</i>	<u>8,041</u>	<u>3,237</u>

Financial assets measured at amortised costs comprise cash at bank and in hand and other receivables.

Financial liabilities measured at amortised cost comprise other payables and related party payables.

NOTES TO THE FINANCIAL STATEMENTS - continued

17. Related Party Transactions

Mellon Township Limited

Mellon Township Limited is a related party by virtue of a Director of Mellon Township Limited also being a Trustee of Mellon Educate (UK). During the year the Charity paid no grants £NIL (2020: £122,808) to Mellon Township Limited. There is balance owed to Mellon Township Limited of £200 at year end (2020: £2,000).

Mellon Housing Initiative

Mellon Housing Initiative is a related party by virtue of a Director of Mellon Housing Initiative also being a Director of Mellon Educate (UK). During the year the Charity paid grants of £477,809 (2020: £NIL) to Mellon Housing Initiative. There is balance owed to Mellon Housing Initiative of £NIL at year end (2020: £NIL).

18. Capital Commitments

The Charity had no capital commitments at the financial year end.

19. Post Balance Sheet Events

The Covid restrictions on Travel have been lifted and there has been significant success with the vaccine roll out, which has supported our decision to go ahead with the 2022 volunteer building trip to South Africa. We have over 220 volunteers signed up and we are excited to resume the wonderful work we do in south Africa, helping to uplift communities through education support and building safe facilities in which to learn.

Our Generous Donor, who committed £200 000 to the 2022 annual building Blitz, has paid over 80% of the funds to our charity account with the balance to follow in the coming weeks.

We have also signed the partnership agreement with the Western Cape Education Department which confirms their commitment to fund 40% of the building cost of this years annual building Blitz in November 2022.

The reaction of volunteers to the news of restarting the volunteer fundraising initiative and travelling to South Africa in 2022 to help build 14 new classrooms has exceeded our expectations. The two schools who will benefit from the Volunteer fund raising Programme, our corporate friends, and Private Donor Partners, will be Yomelela Primary School and Injongo Secondary School situated in the Khayelitsha area in the outskirts of Cape Town.

20. Contingent Liabilities

At 31 December 2021, the Charity had no contingent liabilities.

21. Approval of financial statements

The financial statements were approved and authorised for issue by the Trustees on 19 October 2022 .